

# Submission to United Nations Special Rapporteur on extreme poverty and human rights in the United Kingdom

By Research for Action, 14 September 2018

This submission is to the UN Special Rapporteur on poverty and human rights in the UK, focusing on austerity. It is based on research on the effects of austerity at the local government level in Newham, East London, undertaken by Research for Action<sup>1</sup>, a workers' co-operative producing research to support social, economic and environmental justice.

The evidence consists of 51 individual interviews with randomly selected participants as well as three group hearings and four in-depth one-to-one interviews with campaign groups and charities. This research is part of a citizen debt audit that examines the legitimacy of the council's bank debt in the light of cuts in essential services. The final report of the project will be published in October. The report detailing individuals' experiences of the cuts, called "Cuts and contempt: Experiences of austerity and council democracy in Newham" was published in May. It can be read and downloaded here: [bit.ly/cuts\\_contempt](http://bit.ly/cuts_contempt)

This submission can be published on the website of the Special Rapporteur.

## How have local governments been affected by austerity measures in the last decades? (Q:12)

According to the National Audit Office, from 2010 to 2018, funding from central government to local authorities has been cut by 49.1%<sup>2</sup>. This figure is expected to rise to 56.3% by 2020, leaving many councils struggling to meet their legal obligations to deliver services to residents. In February 2018, Northamptonshire County Council declared it was suspending all new expenditure decisions.

Total revenue expenditure by councils in England is budgeted at £95.9 billion in 2018-19<sup>3</sup>. Most of it is on services such as education (37%), adult social care (17%), police (12%), children's social care (9%).

Across all English councils, this spending in 2018/19 is financed 50% from government grants, 31% council tax, 18% from retained business rates and 1% from the use of reserves<sup>4</sup>.

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<sup>1</sup> <https://researchforaction.uk/>

<sup>2</sup> <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

<sup>3</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/720336/RA\\_Budget\\_2018-19\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720336/RA_Budget_2018-19_Statistical_Release.pdf)

<sup>4</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/720336/RA\\_Budget\\_2018-19\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720336/RA_Budget_2018-19_Statistical_Release.pdf)

However, with further cuts planned to government core grant funding and the retention of 100% of council tax receipts locally, there is significant uncertainty as to how local government will be financed post 2020. A survey<sup>5</sup> among council officials earlier this year suggested that 80% of councils fear for their financial sustainability.

A significant part of austerity in the UK is thus shifting the responsibility of implementing cuts from central to local government.

## Newham

Newham is an East London borough and one of the most deprived areas in England. It has:

- A poverty rate of 37%, second highest in London<sup>6</sup>
- The highest proportion of low-paid workers<sup>7</sup>
- Average household income before housing costs 71% of the national average<sup>8</sup>
- Over 43% of children growing up in poverty<sup>9</sup>
- One in 25 residents is homeless<sup>10</sup>

Since 2010, Newham has cut spending on council services by £155m - over a third. This has resulted to what people we interviewed described as “a state of collapse” where “everything is just bursting at the seams”. Charities are trying to plug the gap when statutory services disappear, but are limited by resources as they often cannot get alternative funding for work that should be instead covered by the council’s statutory duties.

It is extremely difficult to put together an accurate picture of the cuts by service area: changes in the way council accounts are presented makes year-on-year comparison of key spending areas impossible. To our Freedom of Information requests asking for changes in budgets, Newham Council replied only with a link to the annual accounts.

However, according to our findings, frontline services seem significantly affected. Between 2010/11 and 2017/18, Newham’s service budget has been reduced by £71m. Due to changes in the way spending items are presented in the accounts, it is hard to tell exactly where cuts have been made, but children and young people’s services alone seem to have seen a reduction of nearly £10m, from £94.6m in 2010/11 accounts to £85.1m in 2017/18 budget. Business efficiency savings in the area of children and young people’s services show worrying reductions in support for the most vulnerable, such as the £300,000 cut in leaving care services or £200,000 in special educational needs home to school transport in 2016/17 only.

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<sup>5</sup> <https://www.lgiu.org.uk/report/lgiu-mj-state-of-local-government-finance-survey/>

<sup>6</sup> <https://www.trustforlondon.org.uk/data/boroughs/newham-poverty-and-inequality-indicators/>

<sup>7</sup> <https://www.trustforlondon.org.uk/data/boroughs/newham-poverty-and-inequality-indicators/>

<sup>8</sup> <http://eprints.lse.ac.uk/58039/1/CASEReport83.pdf>

<sup>9</sup> <http://www.newhamrecorder.co.uk/news/http-www-newhamrecorder-co-uk-news-newham-has-the-highest-level-of-child-poverty-in-london-1-5379763-1-5379763>

<sup>10</sup> <http://www.itv.com/news/london/2017-11-08/homeless-rates-grow-to-1-in-25-in-parts-of-london-as-total-uk-figure-outstrips-population-of-newcastle/>

Housing and community infrastructure (which only appears from 2013/14 onwards) has been reduced from £14.4m in 2013/14 accounts to £10.7m in 2016/17 accounts and further £8.3m in 2017/18 budget.

## What have the effects of austerity been on poverty (and inequality)? (Q:10)

In this submission, we would like to show how residents experience the cuts in local government. There is remarkably little research into austerity at the local level, and data is often inadequate to put together a full picture. Although our research focuses specifically on one borough, we believe it gives an important perspective into austerity Britain.

Of 51 randomly selected interviewees in Newham, half had experienced cuts or drastic changes in the services they used and everyone was aware of the cuts happening.

The most common ways in which the residents experienced the cuts in council services were:

- Lack of staff and increased bureaucracy
- Closures of community centres, venues and libraries
- Changes to benefits
- Increased need to justify eligibility for services and benefits
- Increased travel time to services that had previously been near
- Charges on services that had previously been free

The effects respondents described this had had on them varied from not much effect or “nuisance” to “feeling ditched” and “rejected”.

On contacting the council, people described that it had become harder to get through; their previously direct point of contact (for example for council tax and housing benefits) had been removed; and it was harder to get to speak to a staff member in person. This increased stress, especially for those with complex needs and mental health issues, and in some cases had a financial impact as people had to wait on the phone to a pay number. Few respondents were satisfied with the responses they had when contacting the council.

We also found that there seems to be a significant number of people who have fallen beyond the reach of services. The increased difficulty in accessing services also meant that some residents had turned away from the council altogether and sought help from charities instead. Worryingly, charity workers we interviewed noted that the council did not always welcome the third sector’s work, and that referring people to services had become more difficult with the cuts.

The following are quotes from charity workers interviewed for our forthcoming report:

*“During the previous administration, it wasn't seen as a wonderful thing that we were finding [people in need for support] who were invisible. It was seen that we were making more work. The idea was out of sight – out of mind.”*

*“Issues that we would refer to social services in another borough do not make the threshold here.”*

*“There are far less people [in the council] to link in with than before. And the services have a lot higher threshold than before, so they are doing a lot less preventative work. You can only get into the services when the problems are extreme.”*

*“What we are seeing is a drawback from frontline services in the council. So we are seeing churches, community groups and charities stepping forward into a space previously statutory. It has been a major issue for a while but it is now at crisis point.”*

Have the human rights of individuals experiencing poverty been affected by austerity measures? (Q:11)

We believe that austerity and the crisis in local government are affecting residents' human rights, more precisely: the right to housing; the right to health, especially with regards to mental health; the right to social security and adequate living; and the rights of children.

## Housing

Housing is one of the most prominent problems Newham residents face: the council has the highest rate of homelessness in the UK, and more people in temporary accommodation and placed outside the borough than anywhere else in London.

Our interviewees described the following issues with the council's approach to homelessness and temporary accommodation:

- Newham council refuses to rehouse people it considers “intentionally homeless” which applies to those who for example leave their rental property before eviction or refuse a housing offer by the council, however unsuitable it may be
- People who find themselves homeless are in many cases rehoused out of the borough, far from their work, schools and support networks
- Temporary accommodation is often unsuitable and even dangerous for small children
- People are housed in properties that are unsuitable for their health or mobility needs
- Parents have been told their children could be housed separately if taken into care
- People are stuck in temporary accommodation for too long
- Temporary accommodation is too expensive

- People consider the council to be discriminatory, unaccountable and unsupportive when dealing with homelessness and temporary accommodation

Newham has also seen a steep rise in private renting – from 17% in 2001 to 37% in 2012<sup>11</sup> – and 46% of total housing stock in the borough is owned by private landlords, more than doubling from 2006 to 2016. The share of both social housing tenants and owner occupiers has fallen since the turn of the millennium.

In our interviews with randomly selected Newham residents, housing was one of the main issues respondents brought up in the open ended questions about what the council could do better. Some of the issues people raised were:

- Need for more council housing
- Need for more affordable housing
- Excessive waiting times for repairs in council properties
- Unacceptable and unenforced standards in the private rental sector
- Excessive and unregulated pricing in the private rental sector
- Increased mental health problems, stress and difficulties to work in the absence of stable housing

## Health

Poor housing conditions are taking their toll on people's health. Our findings also point to several shortcomings in mental health services in Newham and show that those who are made vulnerable due to cuts would benefit from increased access to them.

Our randomly selected interviewees mentioned insufficiency of integration of mental and physical health services as a problem, as well as the lack of early intervention, causing health and other problems to escalate.

The following quotes are from randomly selected interviewees in the borough:

*“My child is autistic, and there is not much support at the moment. Would be good if Newham offered some therapy: Education, health and care, mental health as well, if it was available obviously I’d use it.”*

*“Mental health services, especially counselling, there is none really. I’m looking for combined physical and mental health therapy.”*

*“Lack of funding. Mental health service is absolutely diabolical, I think most people are gonna end up having nervous breakdown because of lack of services. It’s absolutely terrible.”*

## Right to social security and adequate living

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<sup>11</sup> <http://eprints.lse.ac.uk/58039/1/CASereport83.pdf>

Several of our interviewees working in charities or community organisations mentioned that their priority had become meeting the immediate needs of people who often had very little income or no income at all. One major community organisation told us they were in the process of registering a food bank, because for many people who approached them, food was the first priority.

Cuts in housing benefits and the removal of council tax benefit have increased residents' financial hardship. In 2013, council tax benefit was replaced by local council tax support, which does not cover full council tax for the poorest residents, something the previous benefits did. In Newham, the maximum reduction in council tax a working age person can receive is 80%, meaning that many of those on low incomes are now hit by an extra charge.

Changes in services and benefits have also increased the practical barriers for people to access services they are entitled to, especially for the most marginalised residents who are not able to present the proof needed or cannot physically get to appointments due to lack of money, uncertain housing situations or care responsibilities.

## Rights of children

Many of the issues described in this submission – from lack of suitable housing to food poverty – greatly affect children.

A teacher we interviewed told us children would go hungry without school lunch. We heard concerns from teachers and parents alike that the lack of resources in schools was harming children's education, especially for those with special needs who were not receiving adequate support.

Parents also lamented the lack of play schemes, reading clubs and changes in libraries that had made them less safe and child-friendly. Parents also now have to pay for many school activities that had previously been free, making them inaccessible for families on low or no income or with many children.

With an 81% reduction in the council's youth budget since 2011/12<sup>12</sup>, youth services have been practically wiped out. Fewer and fewer young people's needs are being met, and the council spends more on those who already have problems and not enough in preventative work.

There were less different services for children and young people, our interviewees described. The shortage in funding was also affecting the provision for specific groups, such as disabled children.

Many of our interviewees also linked the drastic reduction in youth services to the increase of violent crime in the borough.

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<sup>12</sup> [https://www.london.gov.uk/sites/default/files/london\\_lost\\_youth\\_services\\_sian\\_berry\\_jan2017.pdf](https://www.london.gov.uk/sites/default/files/london_lost_youth_services_sian_berry_jan2017.pdf)

Have austerity measures implemented by the government taken adequate account of the impact on vulnerable groups and reflected efforts to minimize negative effects for those groups and individuals? (Q:9)

According to our evidence, the most vulnerable are disproportionately affected by austerity in Newham. This is because those on lower incomes or health and other needs rely more on council services, but also because of failures from the council to prioritise the needs of marginalised groups. This is especially concerning with regard to children, including youth and single parent families.

Our interviews also suggest that there is a worrying level of discrepancy in the support people receive from the council based on the judgement of the individual worker doing the assessment, and the recipient's assertiveness. Especially those who were disabled or had long-term illnesses expressed frustration for having to prove their condition over and over again. Newham also has a high level of residents who do not have English as their first language.

What alternatives to austerity might have been considered by governments in the last decade? (Q:13)

The severity of the cuts to local government funding suggests central government is using austerity as an excuse to restructure the way local government in the UK functions and is financed, rather than being driven by necessity.

Despite the cuts required in spending, debt repayments are ring-fenced and thus cannot be reduced even at the time of austerity. We find this deeply problematic in a context where councils have taken out loans from private banks and millions every year are flowing into the financial sector.<sup>13</sup>

A healthier local democracy could also have helped to direct resources in a way that reflects residents' needs. We discovered severe problems with council accountability, described in more detail in both the attached and forthcoming reports. We also found that many of the residents we spoke to wanted to contribute to decision-making and be consulted on spending priorities.

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<sup>13</sup> <https://researchforaction.uk/lobo-loans-an-explainer>